

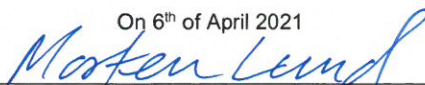
Connected Wind Services Refurbishment A/S

CVR no. 37 56 84 81

Annual report 2020

The annual report was presented and approved at
the Company's annual general meeting

On 6th of April 2021



Chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Notes	11

Connected Wind Services Refurbishment A/S
Annual report 2020
CVR no. 37 56 84 81

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Connected Wind Services Refurbishment A/S for the financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Balle, 6th of April 2021
Executive Board:




Martin Wiborg Serup

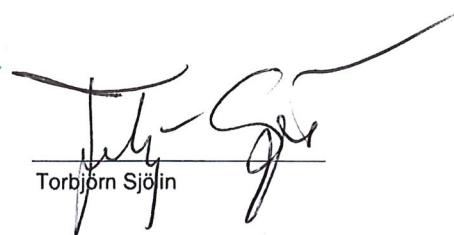
Board of Directors:



Oliver Auras
Chairman



Morten Lund



Torbjørn Sjölin

Independent auditor's report

To the shareholders of Connected Wind Services Refurbishment A/S

Opinion

We have audited the financial statements of Connected Wind Services Refurbishment A/S for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (ESBA Code) and additional requirement applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

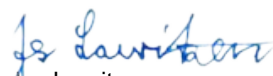
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 6th of April 2021

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jes Lauritzen
State Authorised
Public Accountant
mne10121



Christian Jøker
State Authorised
Public Accountant
mne31471

Management's review

Company details

Connected Wind Services Refurbishment A/S
Langs Skoven 37, 8541 Skødstrup
Denmark

Telephone: 22 60 48 00
Website: www.connectedwind-refurbishment.com
E-mail: info.ref@connectedwind.com

CVR no. 37 56 84 81
Established: 23 March 2016
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Oliver Auras, Chairman
Morten Lund
Torbjörn Sjölin

Executive Board

Morten Lund

Auditor

EY Godkendt Revisionspartnerselskab
Værkmestergade 25, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2021	2020	2019	2018	2017
Gross profit/loss	-138	-274	-2.401	4.059	-18.329
Operating profit/loss	-138	-368	-8.136	-32.018	-29.552
Loss from financial income and expenses	-30	-48	-766	-1.461	-1.653
Profit/loss for the year	-168	-416	-8.902	-33.479	-31.205
Total assets	345	1.143	10.632	24.873	51.758
Investments in property, plant and equipment	0	0	0	721	545
Equity	-1.436	-1.268	-852	-15.950	4.529

Management's review

Operating review

Principal activities

The main activity of Connected Wind Services Refurbishment A/S has been manufacturer-independent renovation and sales of gears and other main components for wind turbines and other that are associated activities.

Development in activities and financial position

In July 2019, it was decided to close all current activities in the company. Following this, major assets were sold to a new owner who have taken over the fixed assets and inventory. At the end of 2019, all activities had been closed down.

Currently, no decisions have been taken with regards to the continuation of the company and the company is therefore currently considered to be a dormant company.

Profit/loss for the year

The company's activities show a loss for the year of TDKK 168 against a loss in 2020 of TDKK 416. The loss for the year is according to expectations.

Capital resources

The company intends to fulfil all of its obligations. The management consider the current available resources sufficient to continue the company in 2022 and beyond.

Outlook

Management expects limited activities and a small negative result from cost occurring during 2022.

Events after the balance sheet date

No significant events have occurred after the end of the financial year, which may influence the assessment of the company's financial position as of 31 December 2021.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross loss		-138	-368
Financial expenses	3	-30	-48
Loss before tax		-168	-416
Tax on loss for the year	4	0	0
Loss for the year		<u>-168</u>	<u>-416</u>
Appropriation of loss			
Proposed dividend for the financial year		0	0
Retained earnings		<u>-168</u>	<u>-416</u>
		<u>-168</u>	<u>-416</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2021	2020
ASSETS			
Inventories			
		200	0
		200	0
Receivables			
Trade receivables		0	15
Other receivables		134	0
		134	15
Cash at bank and in hand			
		11	1.128
Total current assets			
		345	1.143
TOTAL ASSETS			
		345	1.143
EQUITY AND LIABILITIES			
Equity			
Share capital	5	500	500
Retained earnings		-1.936	-1.768
Total equity			
		-1.436	-1.268
Provisions			
Warranty commitments	6	1.454	2.228
Total provisions			
		1.454	2.228
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		38	65
Payables to group entities		283	75
Other payables, including taxes payable		6	43
		327	183
Total liabilities other than provisions			
		327	183
TOTAL EQUITY AND LIABILITIES			
		345	1.143
Accounting policies	1		
Staff costs	2		
Contractual obligations, contingencies, etc.	7		
Mortgages and collateral	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
Equity at 1 January 2021	500	-1.768	-1.268
Transfer through appropriation of loss	0	-168	-168
Equity at 31 December 2021	<u>500</u>	<u>-1.936</u>	<u>-1.436</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Connected Wind Services Refurbishment A/S for 2021 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with optional selections from reporting class C.

Changes in accounting policies

The Company's accounting policies for the compilation of the income statement has been changed from an income statement classified by function to an income statement classified by nature.

For a number of years, the Company's primary activities have been changing from a mix of production and service activities to service activities only, and the change in accounting policy is thus made as a presentation of the Company's results of operation in an income statement classified by nature in the opinion of Management will better provide a true and fair view of income and expenses from the Company's existing and future activities as a service company.

The change in accounting policy does not affect the Company's financial ratios and has no monetary effect on results of operation, equity or balance sheet total and therefore only affects the presentation of the Company's results of operation and the calculation of gross profit.

Comparatives have been restated to reflect the policy change.

Except for the above changes, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods, comprising the sale of refurbished gearboxes and main shafts for wind turbines, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ®2010.

Revenue from the sale of goods where installation is a condition for major risks being considered transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed upon the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Revenue from the sale of services, comprising refurbishment of components for wind turbines, is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gross profit

The items revenue, change in inventories, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to remaining warranty commitments, office premises, administration, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is assessed for Danish tax purposes jointly with domestic Group entities.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Management's proposal for dividend for the financial year is shown as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value. Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Provisions

Provisions comprise anticipated costs of claims and repairs. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Warranties comprise obligations to make good any defects within the warranty period of 1 year. Provisions are recognised based on the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

When it is probable that total costs will exceed total income from a construction contract, the total projected loss on the work is recognised as a provision. The provision is recognised as production costs.

Liabilities other than provisions

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

The Company has no employees. The Executive Board and the Board of Directors have not received any remuneration as the Company's Management receives remuneration from the Parent Company Connected Wind Services Danmark A/S. The Company has paid compensation to the Parent Company for administrative services in 2021 totalling DKK 112 thousand.

DKK'000	2021	2020
3 Financial expenses		
Interest expense to group entities	1	43
Other interest expenses	13	5
Other financial expenses	16	0
	<u>30</u>	<u>48</u>

4 Tax on loss for the year

Current tax for the year	0	0
Deferred tax adjustment for the year	0	0
	<u>0</u>	<u>0</u>

5 Share capital

The share capital consists of 500 shares of DKK 1.000 nominal value each. The shares have not been divided into classes. The share capital has remained DKK 500,000 in the past year.

6 Warranty commitments

Warranty commitments at 1 January	2.228	3.138
Change for the year	-774	-910
Warranty commitments at 31 December	<u>1.454</u>	<u>2.228</u>

The provisions are expected to be activated as follows:

0-1 years	1.454	1.569
1-5 years	0	659
Other provisions at 31 December	<u>1.454</u>	<u>2.228</u>

Warranty commitments comprise commitments typically relating to 1-2 year's warranty for refurbished products for wind turbines.

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc.

Contractual obligations

The Company has entered into a management fee contract with the parent company. The contract can be terminated with 3 months' notice and is settled accordingly to accounts.

Contingent liabilities

The Company is jointly and severally liable with the other jointly taxed Group companies for tax on consolidated taxable income and for certain withholding taxes such as withholding tax and royalty tax.

8 Mortgages and collateral

No assets have been provided as collateral of debts.

9 Related party disclosures

Connected Wind Services Refurbishment A/S' related parties comprise the following:

Control

Connected Wind Services A/S, Langs Skoven 37, 8541 Skødstrup

Connected Wind Services A/S holds the majority of the contributed capital in the Company.

Connected Wind Services Refurbishment A/S is part of the consolidated financial statements of EnBW Energie Baden-Württemberg AG, Karlsruhe, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of EnBW Energie Baden-Württemberg AG and the consolidated financial statements of EnBW Energie Baden-Württemberg AG can be obtained on www.EnBW.com.

Related party transactions

Pursuant to section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed related party transactions as these have been carried out on an arm's length basis.